Enclosure C

Santa Barbara County 2010
Proposed Plan for Increased Fraud Prevention and Program Integrity

Introduction

The County of Santa Barbara Department of Social Services (DSS) is committed to the prevention, detection and investigation of fraud within the In-Home Supportive Services (IHSS) program. It is DSS' objective to ensure that people who need these services to remain safely in their home receive these services. This objective is partially accomplished by reducing the number of recipients who do not meet this criterion or who may be receiving services fraudulently. To further this objective, DSS is requesting Fiscal Year 2010-11 funding for fraud prevention activities, overpayment collection oversight and further program integrity efforts in the IHSS program.

I. County's Current and Proposed Anti-Fraud Activities:

Current

Pursuant to Welfare and Institutions Code (WIC) 12305.71, Santa Barbara County established its IHSS Quality Assurance (QA) unit early in 2005. Quality Assurance personnel consist of two Social Worker Seniors with extensive backgrounds in IHSS casework.

IHSS and QA social workers are the first line of defense against fraud in IHSS. All DSS IHSS and QA social workers have attended or will attend the California Department of Social Services training "Ensuring Quality." Their careful observations and interviews in home settings often serve as the starting point for identifying fraud. Staff is trained to identify potential program fraud by comparing what they hear and see with statements made by recipients who may be misrepresenting their disability or providers who may be misrepresenting the tasks they perform. Inconsistencies between a recipient's statements and their observed abilities or between a provider's statements and the condition of the recipient or the recipient's home can be fruitful avenues to identify potential fraud. The emphasis at intake is on an accurate assessment of need which leads to an appropriate authorization of services. Careful work up front prevents those who do not need the services from getting on the program.

Currently, fraud referrals are initiated by IHSS social workers or Quality Assurance staff who suspect a misrepresentation of information. On occasion, IHSS staff will receive anonymous tips or phone calls of possible fraud which warrant further attention. The need for a fraud referral to DHCS may be identified during an IHSS home visit, social worker observations, discrepant information provided by the recipient or provider, factual evidence or other signs that point towards possible program fraud. When discrepant information is provided, the IHSS social worker will try to clarify the information prior to making a formal fraud referral. If fraud is suspected, a formal referral is made to the Department of Health Care Services (DHCS) Fraud Investigator.

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Santa Barbara County's Quality Assurance (QA) unit has taken an increasingly active role in working to identify potential IHSS fraud as a routine part of its case reviews, targeted reviews and during home visits associated with those activities. QA staff performs randomly selected case reviews. Occasionally, such reviews uncover discrepancies that warrant further investigation. Additionally, targeted reviews are performed focusing on cases with elevated potential for fraudulent activity. Such reviews may target an area of service, such as Protective Supervision. Others focus on Case Management, Information, and Payrolling System (CMIPS) computer generated reports, such as the "300 Plus Hours" or the "No Timesheet" reports. QA is also responsible for researching CDSS generated reports, such as the "Death Match" and "Hospitalization" error reports. If a discrepancy indicating potential fraud is identified in any of these reviews, QA will send a formal referral to the DHCS Fraud Investigator for follow-up and possible prosecution.

Additionally, the county's Public Authority, the In Home Care Network (IHCN), may encounter suspicious activity in their administration of the IHSS payrolling and provider enrollment processes. IHCN works collaboratively with program and QA staff in order to pursue any discrepant information. IHCN has fully implemented the 2009 legislative mandates requiring IHSS provider criminal background checks, face-to-face enrollment and orientation to the program, which further strengthens fraud prevention and program integrity.

<u>Proposed</u>

Although Santa Barbara County's DSS is committed to fraud prevention and detection, current staffing and workload concerns have limited those efforts. Currently, no one person in the department has oversight of these activities. Coordination of activities and greater oversight in order to meet the objectives Assembly Bill 19 of the Fourth extraordinary Session (2009) are the desired goal. An additional staff person, one fully devoted to these endeavors, will greatly enhance our fraud prevention and detection and overpayment collection efforts. Additional clerical support would ensure accurate tracking of all related data. With the enhanced funding, DSS proposes to hire one full-time Fraud Prevention Officer (FPO), an equivalent to a Social Worker Senior position, as well as .58 Full Time Equivalent (FTE) of an Administrative Office Professional (clerical) for support activities. These positions will be located in the department's Compliance Division which currently includes the IHSS Quality Assurance (QA) staff. Although a close working relationship is maintained, the Compliance Division's functions remain independent of IHSS program. It is anticipated that the newly created FPO and QA components of the division will work closely together in their efforts to identify and prevent fraud. The FPO position would serve to enhance our existing collaboration with the Department of Health Care Services (DHCS) fraud investigator and the District Attorney's Office (DAO).

The new FPO and .58 clerical support person will be located in one of the three main DSS district offices (to be determined at a later date) but will be responsible for supporting the IHSS program countywide. By being located within the department, the FPO will be able to establish a collaborative and supportive relationship with IHSS staff.

Together, the FPO, QA and IHSS staff will ensure funds are used to assist the most vulnerable members within our community so they are able to remain safely in their own homes.

It is expected that the person hired for the new Fraud Prevention Officer position will have the advantage of recommendations and protocols generated by the statewide stakeholder's workgroup for anti-fraud activities. The position would be developed so as not to duplicate already existing program integrity efforts in place through QA activities but rather to add new methods for deterring, uncovering, mitigating and investigating potential IHSS fraud. Activities might include home visits, development of targeted mailings, and collaboration with law enforcement in active investigations or other activities not currently in place in either QA or IHSS program administration. This person will sometimes accompany IHSS social workers on their home visits with the exclusive purpose of evaluating each situation for potential fraud.

Our new staff member would focus his/her efforts towards deterring and preventing suspected fraud involving either IHSS recipients or individual providers (IPs). The FPO will work in conjunction with DHCS and the DAO by identifying incidences of potential fraud for further investigation and possible prosecution. They will also be responsible for providing outreach and education to the community so recipients are aware of their rights and responsibilities in regards to fraud identification and prevention. The FPO will also attend Provider Orientations as time permits in order to strengthen the fraud prevention message given there.

The FPO will be responsible for acting as the single point of contact (SPOC) with the DHCS and DAO on potential fraud cases. DSS does not currently have staff devoted to this oversight. The person selected will receive fraud referrals from IHSS staff, review the information to determine if the referral is appropriate, estimate the amount of the overpayment, gather additional information as necessary (i.e. – copies of timesheets, forms signed by the recipient or the provider and how the needs assessment was calculated) and maintain logs when the referrals were sent to DHCS and the outcome of the investigation. When the investigation by DHCS is completed, the FPO will be notified of the outcome and will be responsible for calculating the amount of overpayment and tracking the amount of recovery. The gathering of statistical information on fraud activities will be greatly enhanced by having one person responsible for tracking investigations from start to finish. The .58 FTE clerical person will support and ensure proper tracking of these activities.

By receiving additional funds for Fraud Prevention and Detection, the FPO will be able to work closely with DHCS and DAO, participate in in-depth interviews, assist in the computation of overpayments, increase collections of overpayments by negotiating repayment plans and show the community the department's commitment to eliminate welfare fraud within the IHSS program and our county. As all fraud prosecution activities will take place between DHCS and the DAO and do not involve DSS, none of these additional funds will be utilized for prosecution activities. DSS anticipates completion of the hiring process and the FPO and the .58 FTE clerical support person on board within 60 days of receipt of funding.

II. County Proposed Budget for Utilization of Funds

In order to meet our goal of increased fraud detection and prevention, we are proposing the addition of one full time Fraud Prevention Officer as well as .58 Full Time Equivalent (FTE) of an Administrative Office Professional (clerical) for support activities. This FPO will be the Single Point of Contact (SPOC) between DHCS, the DAO and IHSS staff. DSS anticipates the FPO will greatly enhance the working relationship with these partner agencies. The FPO will also be responsible for computing overpayments and underpayments, tracking referrals and investigations and monitoring repayment of overpayments. The FPO and support person will need desk space in the district office in which he/she will be based, along with a phone line and computer work station. He/she will also need access to a printer and fax machine, in addition to a vehicle so he/she can complete field work. The FPO may need to be trained in IHSS regulations and attend IHSS Academy for future trainings if we are unable to hire an experienced worker. Additional related training will be pursued as available. DSS proposes to provide the indirect costs of equipment, space, transportation and training for the new position(s) as the County's share for these employees.

Please see Enclosure E, Budget Justification, for full details.

III. Collaboration and Partnerships with District Attorney's Office (DAO)

Santa Barbara County DSS has had an on-going collaborative working relationship with the District Attorney's Office for many years, specifically in the public assistance programs such as Food Stamps and CalWORKS. DSS has a Memorandum of Understanding (MOU) with the DAO to identify, investigate and deter potential fraud within those income maintenance programs. DAO investigators are co-located with DSS staff. While Santa Barbara County enjoys a strong working relationship with the District Attorney, there is no existing MOU to investigate potential IHSS fraud. DHCS retains jurisdictional control over IHSS investigations.

Although the DAO will not investigate IHSS fraud, this proposal will build on the already existing partnership between the DAO and DSS staff. This new anti-fraud effort will draw on lessons learned from the procedures currently in place within the department. This effort will also rely on activities at the state level where an on-going group of stakeholders are in the process of developing effective protocols for the prevention, detection and investigation of IHSS fraud. This group of stakeholders includes participants from the Department of Health Care Services, District Attorneys Offices, the Department of Justice (DOJ) and IHSS program administrators with input solicited from IHSS recipients and providers.

The success of any fraud prevention and program integrity plan will depend on developing clear and consistent avenues of communication among all of the partner agencies in the collective effort to focus on our common goals. From its inception this

plan will incorporate a shared understanding of each agency's expectations, roles and forms of record-keeping and interaction in preventing fraud and enhancing program integrity in the IHSS program.

IV. Fraud Referrals and Outcomes

Suspicion of fraud can originate from many different sources. In DSS' proposal, the FPO would serve as the focal point for all such referrals. If originating from a social worker, a draft referral outlining pertinent information will be sent to the FPO for case review. The FPO will review all the pertinent information regarding the case history and will follow up to obtain necessary information to complete the formal referral. If the referral originates from someone other than a social worker, the FPO will do all preliminary information-gathering activities. The FPO will also be responsible for providing the DHCS investigator with documentation and evidence substantiating the allegations. This will involve providing the DAO with copies of timesheets, program forms signed by the recipient and/or the IP documenting their knowledge of program procedures and regulations, copies of cashed warrants and other relevant documentation. The FPO will follow the referral process through to its resolution. Currently, there is no single staff person devoted to this activity, which results in piecemeal referral procedures and outcome tracking. Such procedures and tracking methodology will be standardized by the FPO ensuring a more consistent fraud referral process and more reliable outcome data.

V. IHSS Overpayments /Underpayments

Currently the identification of Overpayments and Underpayments are the responsibility of the IHSS social workers, Quality Assurance staff or supervisors reviewing casework. When an overpayment is identified, the IHSS social worker or the QA staff, in consultation with their supervisor, is responsible for calculating the overpayment and taking the necessary steps to collect the payment. They will also send a formal referral to DHCS when fraud is suspected. When underpayments are discovered, the social worker is responsible for initiating the reimbursement process to the recipient or provider, as appropriate. Due to time restraints, staffing issues, legislative program changes and increased caseloads, it is difficult for the case carrying social workers to find the time to complete these processes. QA has only been able to assist in a limited capacity, primarily in situations discovered in QA review.

In DSS' proposal, the Fraud Prevention Officer will take over the responsibilities for calculating the overpayment, writing up a formal Notice of Action notifying the IHSS recipient or provider of the proposed collection and arriving at a mutually agreeable schedule for repayment. The FPO will ensure the appropriate overpayment or underpayment data is entered into the computer system (with Legacy CMIPS, program staff will make the actual entries; with CMIPS II, the FPO will make these entries directly). As the SPOC, the FPO will work closely with DHCS and will be responsible for tracking all fraud referrals and investigations, overpayment computations and repayments.

For example, when an IHSS social worker suspends or terminates a recipient's case due to a client's hospitalization or death (from information which did not originate from a Death Match report), the social worker will send a referral to the FPO for further research. The FPO will review the case record to determine that appropriate action has been taken (i.e. – suspending or terminating services), request copies of timesheets to determine if payments were made to the provider when the recipient was ineligible for services and compute overpayments, as appropriate. They will also contact responsible individuals to discuss the overpayment and work out an agreement for repayment.

Collections on overpayments administered by the IHCN, IHSS or QA staff are managed through the CMIPS system when the provider continues to work as an IP for the case linked to the overpayment. This process deducts the agreed upon amount of repayment from the IP's future earnings for the IHSS recipient on whose case the overpayment originated. The FPO will be responsible for ensuring that appropriate data entries are made. The FPO will also ensure repayments are being made or will contact the involved parties to work out a mutually agreed upon repayment plan.

On occasion, the county's Public Authority, the In Home Care Network (IHCN), is informed by a provider or recipient that there has been an overpayment or underpayment. If the IHCN staff can establish that there is an underpayment or overpayment through an exploration of the facts and documents available, they will arrange for the repayment either to or from the provider in question. If further investigation is needed, IHCN currently contacts the IHSS social worker for follow-up or to initiate a fraud referral to DHCS. The proposed FPO would instead do this follow-up and referral initiation, thus removing this workload from the case carrying social worker.

VI. Collaboration and Partnerships with California Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS)

In accordance with the jurisdictional regulations governing the reporting of suspected fraud, Santa Barbara County IHSS or Quality Assurance staff refers cases of suspected fraud to the regional investigator for the Department of Health Care Services (DHCS) on the MC 609 or county W-81 form designed for that purpose. In response to the referral from DSS, the DHCS investigator pursues the fraud investigation through established investigative methods including a review of all available data, interviews with relevant parties, criminal history searches, and, importantly, consultation with the referring social worker. DSS staff fully cooperates with DHCS' efforts to investigate fraud and supports the effort in any way possible. Investigations which are substantiated by the DHCS investigator are submitted to the local DAO for consideration of prosecution. As part of the proposed process, the FPO will be responsible for monitoring the progress and outcomes of the investigation. The FPO will serve as the primary liaison with the DHCS Fraud Investigator.

As the state entity charged with administering the IHSS program, CDSS is the primary source of information and direction concerning fraud prevention and program integrity

efforts. Santa Barbara County is fully committed to working with CDSS in the development and implementation of these activities. The County attends the California Welfare Director's Association (CWDA) Long Term Care operations (LTC OPs) meetings where CDSS issues preliminary information on upcoming program changes. The County fully participates as a stakeholder in that collaborative process. CDSS-issued All County Letters, All County Information Notices, and County Fiscal Letters instructions are diligently implemented. Santa Barbara County enjoys a collaborative partnership with CDSS in administering the IHSS program and anticipates the continuation of this relationship.

Existing avenues of communication between DSS, the DAO, DHCS and CDSS will be enhanced with the addition of a DSS staff member dedicated to fraud prevention and program integrity. Clear definitions of mutual expectations, complementary roles and responsibilities and methods of record-keeping will be agreed upon by all agencies. Any questions about jurisdictional issues will be jointly addressed and clarified upon the initial implementation of this enhanced fraud prevention plan.

VII. Mechanisms for Tracking/Reporting

Santa Barbara County will continue to make referrals to the DHCS Fraud investigators on cases with suspected fraud. As the SPOC, the FPO will be responsible for tracking the number of fraud referrals sent to DHCS and the outcome of the investigations. Outcomes tracked will include the number of cases where the findings were substantiated, the amount of the overpayment, the amount that has been collected by DHCS for repayment, and if the case was referred for prosecution (as relayed to the FPO by DHCS). Although prosecution referrals will be tracked, **a**s the DSS proposal does not include any activities associated with prosecution of fraud, the funds will not be used for any purpose related to prosecution. The one proposed full time FPO and .58 FTE clerical support staff members will develop a simple and comprehensive mechanism for tracking and reporting the activities and outcomes of their fraud prevention and program integrity efforts. This information will be included in reports to DSS management as well as meet CDSS reporting requirements. The DAO will also independently report on any outcomes related to the prosecution of IHSS fraud.

VIII. Annual Outcomes Report

Continuing funds permitting, Santa Barbara County will provide an annual outcomes report by August 1 of each year identifying activities, data and outcomes associated with the county efforts to mitigate, prevent, detect, investigate and prosecute IHSS fraud during the previous fiscal year.